



Virginia Information Technologies Agency



VITA Procurement Reform Update

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VITA

**Integrated Government Advisory Committee
Joint Commission on Science & Technology**

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expect the best



Background

- Statewide procurement authority for IT and Telecommunications goods and services
- VITA undertook IT Procurement Reform effort to revolutionize the way Commonwealth purchases IT.



Goals of ProReform are based on industry best practices

- Easy to use procurement process
- Solutions-oriented solicitations
- Business-driven procurements
- Enterprise-oriented and leveraging state's buying power
- Performance-based contracts
- Partnerships that share risks and benefits



ProReform Guidelines

- Reformed, “business-driven” terms and conditions
- eVA for electronic, on-line procurement
- Prequalification process
- Mandatory, statewide contracts
- Positive partnering relationships between VITA and its IT suppliers



2004 Achievements

- Adopted solutions-oriented solicitations as the standard
- Executed first on-line reverse auction for storage media in February, 2004
- Utilized alternative dispute resolution process
- Limited mandatory terms and conditions
- Enabled consistency in ordering of IT goods through eVA
- Emphasized developing partnerships
- Developed friendlier web site
- Achieved significant savings



VITA Savings Report

Initiative	FY 04 Savings	FY 05 Savings	FY 06 Savings	Six-Year Baseline Benefit
Voice and data telecommunications contract extension (ATM T-1 Circuits)*	\$528,000	\$528,000	\$528,000	\$3,168,000
Conversion of Unix and Oracle contractors to full-time positions	\$132,000	\$132,000	\$132,000	\$792,000
Efficient tape technology stacking and replacement	\$173,000	\$108,000	\$108,000	\$713,000
Telecommunications MCI contract (COVANET)*	\$1,542,000	\$3,085,000	\$3,085,000	\$16,967,000
Streamline 1-800 voice services	\$2,000	\$103,000	\$103,000	\$517,000
Streamline cellular usage*	\$524,000	\$1,333,000	\$1,333,000	\$7,189,000
SAG software contract renegotiation	\$8,000	\$32,000	\$32,000	\$168,000
Sun server procurement	\$484,000	\$0	\$0	\$484,000
Virginia Partners in Procurement – Hardware and Software (Wave I)	\$9,954,000	\$10,100,000	\$10,100,000	\$60,454,000
Virginia Partners in Procurement – Computer Peripherals and Enterprise Storage (Wave II)*	\$174,000	\$558,000	\$558,000	\$2,964,000
Total, Gross Savings	\$13,521,000	\$15,979,000	\$15,979,000	\$93,416,000
Software Licenses	\$495,000	\$615,000	\$615,000	\$3,570,000
Server Acquisitions	\$380,000	\$380,000	\$0	\$760,000
Subtotal, Cost Avoidance	\$875,000	\$995,000	\$615,000	\$4,330,000
Total, Gross Savings & Cost Avoidance	\$14,396,000	\$16,974,000	\$16,594,000	\$97,746,000



eVA enabled VITA to integrate order processing

- Challenge to integrate the IT infrastructure of executive branch agencies
- eVA is the common point for all approval requisition processes to funnel into VITA
- DGS provided system, training and support to effort
- Utilized cross agency team to understand issues and support change effort
- Required changes by all agencies to existing order process and/or approval process
- Completed for medium and small; in-process with large agencies



VITA is committed to building partnerships with SWAM businesses

Raise Awareness

- Increase visibility of opportunities to suppliers and increase VITA focus on SWAM objectives

Improve Access

- Invest in outreach to suppliers and provide subcontracting expectation of primes and reporting

Encourage Feedback

- Track effectiveness through communication and feedback



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Doing business with VITA...

a resource for Small, Women-owned, and Minority-owned (SWAM) businesses

Welcome to VITA's SWAM resource page.

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in state procurement activities.

VITA encourages SWAM businesses to participate in the state's information technology (IT) procurement activities. This resource page provides guidance on accessing IT procurement processes via both traditional vehicles and through proactive research strategies.

VITA is an active supporter of Virginia's On-Line Procurement initiative, eVA. All ordering and formalized solicitations are directed through this portal. It is a requirement that suppliers of IT products and services to Virginia register with eVA at www.eva.virginia.gov/.

How do I access current IT bids?

VITA's Supply Chain Management (SCM) is Virginia's central IT procurement hub. SCM provides an online listing of current/open bids, as well as newly awarded bids.

For a listing of current/open bids and newly awarded bids, please visit www.asd.virginia.gov/bids/bids.asp. Click on the Bid Number hyperlinks to view the original solicitations, which will include the bid details, due dates, and contact information.

Reminder: It is a requirement that suppliers of IT products and services to Virginia register with Virginia's On-Line Procurement portal, eVA, at www.eva.virginia.gov/.

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How do I become proactive in IT procurement?

IT is a dynamic arena, where needs and expectations are constantly evolving due to the rapid pace of the IT industry itself. Information is critical to remain competitive. It is vital to know not only the current IT needs, but to also anticipate future IT needs. Take advantage of the many vehicles VITA offers to research IT in state government:

- Agency IT Strategic Plans

<http://www.vita.virginia.gov/ctp/strategic.cfm>

These plans are a significant source of business intelligence. Each Executive Branch agency within the Commonwealth maintains an Agency IT Strategic Plan. The Agency IT Strategic Plan is used to align the IT organization and budget with Commonwealth technology initiatives and with agency organizational priorities, goals, and objectives. Agency strategic planning articulates the agency mission and vision for the future, and provides the basis for IT investment decisions.

Plans for both the 2002-2004 budget biennium and the 2004-2006 budget biennium are available for review.

Through the study of these plans, you can obtain an understanding of the direction of IT in the Commonwealth and begin to anticipate the current and future IT needs.

- The Commonwealth's Major IT Project Status Dashboard - Public View

<http://apps.vita.virginia.gov/Dashboard/publicinfo.asp>

This a great tool to gather business intelligence. The Commonwealth Major IT Project Status Report Dashboard presents the Secretary of Technology, sponsoring Secretariats, and proponent state agencies with a succinct and timely summary of the status of major information technology projects. (In the Commonwealth of Virginia, major IT projects are those projects exceeding \$1 million in estimated total project cost and deemed mission critical, or having enterprise significance.)

On the Public View page, you can see the agency name; project title; read a brief description of the project, as well as its objectives; project start and completion dates; and, a reference Website address.

The projects can be sorted by agency, secretariat, or project title.



Upcoming focus

- Support VITA integration through order process consolidation
- Utilize cross agency groups to support cost savings projects
- Increase SWAM opportunity and usage
- Develop supplier management capabilities
- Invest in building our foundation
- Support PPEA processes



Sourcing strategies to continue progress

Low value/Unique need

Efficiency focus

- Quick quote (eVA) standard
- Pilot GSA Schedule 70

Low value/Common need

Leveraged agreements

- Utilize prime contractors
- Reverse auctions
- Statewide mandatory agreements

High value/Common need

Develop direct relationships

- Actively managed end to end relationships thru life-cycle

High value/Unique need

Effectiveness focus

- Standard form documents for consistency
- Collaborate to utilize best resources



Develop the foundation

- People
 - Skills—Increase analytical, collaboration, negotiation and consulting skills
 - Support transitioning to new roles
- Processes
 - Core processes – increase consistency and developing our practices
 - Tools standard contracts
 - Education, education, education
- Technologies
 - Evaluating essential systems and in what order such as:
 - Enterprise contract management capabilities
 - Web site support